

From: David Fill, Keller, TX
Subject: Electronic Fund Transfers

Comments:

Feb 6, 2009

Federal Reserve Board Email comments

Dear Email comments,

I understand that you are considering legislation on bank charges related to overdrafts which are automatically accepted by the banks - please consider my personal example. With my bank, I maintain a primary checking account, from which I regularly transfer funds to my spouse's secondary checking account with the same bank; I also maintain a savings account at this bank.

The week prior to November 14-20, 2008, I neglected to transfer funds to the secondary account, as I typically would. During that week, my spouse had 13 debit card transactions which totaled \$554.74 for which there were insufficient funds in her account - for each of these transactions, the bank charged me 13 separate over-draft fees for a total of \$445.00. One week after the date of the first over-draft charge, I received notification - via US Mail. That day I transferred funds into our secondary account to cover all debit transactions plus the overdraft charges.

Now, I agree that I erred; however the total overdraft charges I paid during that week amounted to an APR of over 4000% relative to the total value of those debit transactions and for the one week the account had insufficient funds. This was ridiculously excessive - I could have received a better rate from the mafia, if I had any contacts there. Additionally, I should note that this activity occurred in our secondary account - our primary account at that time had over \$7000 available in it, and our saving account contained over \$33,000, each more than sufficient to cover the over-drafts.

There was a time when banks would reject payments with insufficient funds, rather than accept them and use them as justification to charge exorbitant fees. At a time when banks are marketing to the public to use debit cards for all transactions, therefore increasing the number of non-cash debit transactions, this almost feels like the banking industry has created a new revenue stream for itself.

I feel that banks should be required to set-up overdraft protective services for each open account, with banking customers required to specifically reject it, to protect the public from this revenue-generating banking process. Even if the rates for this service are similar to the "payday loan" industry, the total charges to someone like myself would have been a fraction of those I actually paid.

Please allow me the chance to opt-in to overdraft services. This is the only way that I will truly feel protected.

Sincerely,

Mr. David Fill
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